

# APPROVED

July 15, 2008

## Michigan State Administrative Board

Lansing, Michigan

July 10, 2008

A special meeting of the State Administrative Board was held in the Lake Superior Room, 1st Floor, Michigan Library and Historical Center, on Thursday, July 10, 2008, at 11:00 a.m.

Present: Susan Sonneborn, Deputy Legal Counsel, representing Jennifer M. Granholm, Governor, Chairperson  
Brandon Hofmeister, Deputy Legal Counsel, representing John D. Cherry, Jr., Lt. Governor  
Patrick F. Isom, Assistant Attorney General, representing Michael A. Cox, Attorney General  
Mary G. MacDowell, Director, Financial Services Bureau, representing Robert J. Kleine, State Treasurer  
Brian DeBano, Chief of Staff, representing Terri Lynn Land, Secretary of State  
Myron Frierson, Bureau Director, Finance and Administration, representing Kirk T. Steudle, Director, Department of Transportation  
Jean Shane, Special Assistant, representing Michael P. Flanagan, Superintendent of Public Instruction  
Sherry Bond, Secretary

### Others Present:

Socorro Guerrero, Department of Attorney General; Terri Fitzpatrick, Eva Rojas, Department of Management and Budget

### 1. CALL TO ORDER:

Ms. Sonneborn called the meeting to order and led the Pledge of Allegiance to the Flag.

### 2. HEARING OF CITIZENS ON MATTERS FALLING UNDER JURISDICTION OF THE BOARD:

NONE

### 3. REPORTS AND RECOMMENDATIONS OF COMMITTEE(S): (Please see the following pages)

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July 10, 2008

Michigan State  
Administrative Board

## COMMITTEE REPORT TO THE STATE ADMINISTRATIVE BOARD

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The Honorable Jennifer M. Granholm, Governor  
and  
Members of the State Administrative Board

A special meeting of the **Building** Committee was held at **11:00 a.m.**  
on **July 10, 2008**. Those present being:

Chairperson: Mary G. MacDowell, representing Approved \_\_\_\_\_  
State Treasurer Kleine

Member: Brandon Hofmeister, representing Approved \_\_\_\_\_  
Lt. Governor Cherry

Member: Susan Sonneborn, representing Approved \_\_\_\_\_  
Governor Granholm

Others: Patrick Isom, Socorro Guerrero, Department of Attorney General;  
Jean Shane, Department of Education; Sherry Bond, Terri  
Fitzpatrick, Eva Rojas, Department of Management and Budget;  
Brian DeBano, Department of State; Myron Frierson, Department  
of Transportation

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The Building Committee special agenda was presented.

Ms. Guerrero asked Ms. Fitzpatrick how the Department of Management and Budget (DMB) calculated the consideration for the changes to the lease in the addendum for approval. Ms. Fitzpatrick said the improvements are itemized in the addendum and the method used to calculate the consideration is Contract Change Orders. The DMB Project Director and two architects participated in determining the costs in the Contract Change Orders.

Following discussion, Ms. Sonneborn moved that the special agenda be recommended to the State Administrative Board for approval. Supported by Mr. Hofmeister, the motion was unanimously adopted.

Ms. MacDowell adjourned the meeting.

# SPECIAL AGENDA

## BUILDING COMMITTEE / STATE ADMINISTRATIVE BOARD

July 10, 2008  
11:00 A.M. Lake Superior Room 1<sup>st</sup> Floor  
Michigan Library and Historical Center

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This agenda is for general informational purposes only. At its discretion, the Building Committee may revise this agenda and may take up other issues at the meeting.

### **ADDENDUM TO LEASE FOR PRIVATE PROPERTY**

1. DEPARTMENT OF STATE POLICE, LANSING - Addendum #1 to Lease #11319 effective for a period of 25 years from the date of Substantial Completion and Possession, with River Street Triangle, LLC, a Limited Liability Company, 309 N Washington Square, Suite 115, Lansing , Michigan 48933, as Lessor, and the State of Michigan by the Department of Management and Budget for the Department of State Police, as Lessee, for 148,000 square feet of space located at the corner of Grand Avenue and Kalamazoo Streets, Lansing, Michigan. The rental rate for this space is \$3,685,200.00 annually (\$307,100.00 per month). This Lease contains a Legislative Restrictive cancellation clause requiring written notice. The State has the option to purchase the building for \$1.00 at the end of the lease term or anytime following twelve months after substantial completion. The Attorney General has approved this Addendum as to legal form. This Lease meets the criteria requiring approval of the Joint Capital Outlay Subcommittee of the Legislature, which approved this Lease on March 16, 2007.

#### **Purpose/Business Case**

The purpose of this addendum is to clarify the adjustment to the base rent, to revise the date for completion, and to clarify construction items to be included in the scope of the work.

#### **Benefit**

In exchange for revising the date of completion and clarifying the adjustment of the base rent the state is receiving several construction items at no additional cost.

#### **Funding Source**

General Fund/General Purpose

#### **Commitment Level**

Twenty-five years; however, this Lease contains a Legislative Restrictive cancellation clause requiring written notice. The State has the option to purchase the building for \$1.00 at the end of the lease term or anytime following twelve months after substantial completion.

**Risk Assessment**

Non-approval of this Lease addendum will hinder the Department from relocating and consolidating staff to a central location in accordance with Executive Directive 2003-22 and complying with the constitution requirement to be located at the seat of government and prevent the department from realizing operation efficiencies associated with consolidating law enforcement and homeland security functions at a single location. In addition, the state will not receive additional construction items at no additional cost.

**Zip Code**

48933

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Ms. MacDowell presented the special Building Committee Report for the special meeting of July 10, 2008. After review of the foregoing Building Committee Report, Ms. MacDowell moved that the Report covering the special meeting held July 10, 2008, be approved and adopted. The motion was supported by Mr. Hofmeister and unanimously approved.

4. ADJOURNMENT:

Mr. DeBano moved to adjourn the meeting. The motion was supported by Ms. MacDowell and unanimously approved. Ms. Sonneborn adjourned the meeting.

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SECRETARY

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CHAIRPERSON